specifying the terms and conditions under which it is providing access and interconnection. Staff further stresses that Congress provided in Section 271(c)(2)(A) that the checklist requirements of Section 271(c)(2)(B) must be met by the access and interconnection which the BOC is providing pursuant to its agreements with facilities-based carriers serving business and residential carriers as required under Section 271(c)(1)(A). Staff states that if Congress had intended to allow BOCs to rely on the terms and conditions of other agreements, it would have specified otherwise.

Commission Conclusion

There is simply nothing wrong with the incorporation by reference of items from other contracts. This is what the MFN clause accomplishes. Incorporation by reference is sufficient from a contract law standpoint and, therefore, it is sufficient for the Commission. Pursuant to those MFN clauses, CCT, MFS and TCG may order individual network elements or checklist items out of Ameritech's approved interconnection agreement with AT&T or any other approved agreement. The AT&T Agreement includes all of the checklist items. In addition, this Commission has expressly found that all of the rates, terms and conditions contained in the AT&T Agreement fully comply with Sections 251 and 252(d), and with the FCC's Regulations.

G. RELIANCE ON SGAT

Staff argues that the Company SGAT is not part of the record evidence and should not be relied on for purposes of determining Ameritech's compliance with the checklist items. Furthermore, Staff takes the position that subparagraphs (A) and (B) of Section 271(c)(1) represent separate and distinct alternatives which it argues cannot be combined. It cites Paragraph 1 of Section 271(c) which specifies that a BOC must "meet the requirements of subparagraph (A) or subparagraph (B) of this paragraph for each State for which the authorization is sought." 47 U.S.C. §271(c)(1) (emphasis added). Staff argues that in construing a statute, courts generally construe statutory requirements written in the disjunctive as setting out separate and distinct alternatives. Citing U.S. v. Behnezhad, 907 F.2d 896 (9th Cir. 1990).

Staff contends that the language of Section 271(c)(1) -- including subparagraphs (A) and (B) -- clearly establishes that the requirements in subparagraphs (A) and (B) were intended to be, and in fact do represent, separate and distinct alternatives. Staff states that in addition to the "or" in Section 271(c)(1), the language in subparagraph (B) clearly indicates that the requirements of subparagraph (B) come into play only "if . . . no such provider [described in subparagraph (A)] has requested the access and interconnection described in subparagraph (A) . . . ." 47 U.S.C. §271(c)(1)(B).

Ameritech maintains that if the Commission were to assume that "provide" means "actually furnish" and not "make available," there must be some Track B outlet for it in the event that competing carriers do not order certain checklist items. However, Ameritech contends that Staff's legal theory does not accomplish that result. Among other things, it

notes that Staff's theory rests upon a crucial, but false premise: that Ameritech's interconnection agreements have implementation schedules requiring competing carriers actually to order all of the checklist items made available in the agreements.

In fact, Ameritech states that its interconnection agreements with CCT, MFS, TCG and AT&T contain implementation schedules only for interconnection, and not for any of the other 13 checklist items. See CCT Agreement, Sched. 3.0; MFS Agreement, Sched. 3.0; TCG Agreement, Sched. 3.0; AT&T Agreement, Sched. 2.1. Moreover, these competing carriers are not, in fact, actually required to interconnect with Ameritech by the date set forth in their implementation schedules. Thus, according to Ameritech, no competing carrier has committed to purchase checklist items; the interconnection agreements only require Ameritech to furnish products, services and network elements when and if the competing carriers ask to purchase them. It follows, then, that the "Track B outlet" theory articulated by Staff, does not relieve the quandary caused by Staff's stringent interpretation of the term "provide." For example, Staff's theory would not succeed in creating a Track B option for Ameritech in the event that no carrier chooses to take ULS, because the relevant implementation schedules do not commit competing carriers to purchase that checklist item.

Ameritech puts forth an alternative analysis of Section 271(c)(1)(B). It maintains that if Section 271(c)(1)(B) entitles a BOC to Track B relief under circumstances where Section 271(c)(1)(A) carriers do not order checklist items they have committed to purchase in their implementation schedules, then, a fortiori, the same should be true where competing carriers do not commit at all to purchase certain checklist items. More specifically, to the extent that Ameritech's Section 271(c)(1)(A) competitors do not order certain checklist items and are not required to do so by their implementation schedules, Ameritech may satisfy those checklist items through its SGAT.

Accordingly, Ameritech concludes that if the Commission accepts Staff's view that "provide" means only "actually furnish," It would be entitled to pursue interLATA relief via the foregoing exception in Section 271(c)(1)(B). First, Ameritech contends that it actually furnishes several checklist items to its Section 271(c)(1)(A) competitive carriers in compliance with the competitive checklist. Second, it states that its SGAT generally offers the checklist items that no Section 271(c)(1)(A) competitor has ordered or committed to order. Accordingly, Ameritech argues that pursuant to the exception set forth in Section 271(c)(1)(B), it qualifies for interLATA relief.

Sprint and MCI agree with Staff that Ameritech cannot use an SGAT intended for Track B entrance to meet the requirements of the competitive checklist.

Commission Conclusion

Tracks A and B are two separate and distinct alternatives which cannot be combined. Ameritech fails to cite any legal authority for the proposition that they can be combined. The language of Section 271 is clear that no such option is provided.

Accordingly, Ameritech's arguments to this effect which do not include any legal authority are rejected.

III. AMERITECH ILLINOIS' COMPLIANCE WITH THE "COMPETITIVE CHECKLIST

A. INTRODUCTION

As previously stated in this Order, Section 271(d)(2)(B) directs the FCC, before making a final determination on a BOC's Section 271 application, to "consult" with the relevant state Commission "in order to verify the compliance of the [BOC] with the requirements of subsection (c)." The standards applicable to whether a particular checklist item is being provided are set forth in Section II. C. of this Order.

B. PROVISION OF INDIVIDUAL CHECKLIST ITEMS

1. Interconnection

Checklist item (i) requires Ameritech to provide interconnection in accordance with the requirements of Sections 251(c)(2) and 252(d)(1). 47 U.S.C. §271(c)(2)(B)(i). Pursuant to Section 251(d)(1), the FCC entered its Interconnection Order on August 8, 1996 setting forth the rules and regulations implementing Section 251(c). State commissions are charged with the duty to implement Section 251(c), Section 252(d), and the FCC Interconnection Order under Sections 252(b)(4)(C), 252(c), 252(d) and 252(e). The Commission agrees with Staff that in order to determine whether Ameritech has met the interconnection component of the Checklist, Staff recommends that the Commission consider the requirements of Sections 251(c) and 252(d), the FCC Interconnection Order and the Commission's own prior Orders implementing these provisions. Staff Ex. 4.01, at 3.

The FCC Order requires that incumbent LECs offer the following methods of interconnection: 1) physical collocation or virtual collocation; 2) meet point interconnection arrangements; and 3) any other technically feasible methods. Section 51.321(b) of the Code of Federal Regulations ("CFR").

In addition, the FCC requires that incumbent LECs provide interconnection to requesting carriers:

(i) for the transmission and routing of telephone exchange traffic, exchange access traffic, or both;

(ii) at any technically feasible point including, at a minimum: a) the line-side of a local switch; b) the trunk-side of a local switch; c) the trunk interconnection points for a tandem switch; d) out-of-band signaling transfer points necessary to exchange traffic at these points and

access call-related databases; and e) access to unbundled network elements listed in Section 51.319 of the CFR.

(iii) equal in quality as provided to itself;
(iv) on terms and conditions that are just, reasonable, and nondiscriminatory; and
(v) two-way trunking upon request if technically feasible.

47 CFR Section 51.305.

Since the interconnection checklist item must be consistent with Sections 251(c) and 252(d), the FCC Interconnection Order, and the Commission's Orders implementing these provisions, Staff recommended that Ameritech be required to provide evidence that each provision actually is being met. Staff Ex. 4.01, at. 3.

With respect to pricing, a single pricing standard for interconnection and network elements is set forth in Section 252(d)(1), which provides as follows:

(d) Pricing Standards.

(1) Interconnection and Network Element Charges. Determinations by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of subsection (c)(2) of section 251, and the just and reasonable rate for network elements for purposes of subsection (c)(3) of such section

(A) shall be

(i) based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable), and

(ii) nondiscriminatory, and

(B) may include a reasonable profit.

47 U.S.C. §252(d).

Staff

Staff states that CCT, MFS, and TCG all have access to the three types of interconnection (physical, virtual, and meet point). Staff Ex. 1.02 at 20. According to Staff, Ameritech is providing virtual collocation to all three carriers and meet point arrangements to MFS and TCG. However, Staff states that Ameritech is not providing

physical collocation to any of the carriers, nor meet point arrangements to CCT. It notes that the CCT and TCG arrangements explicitly prohibit the collocation of hubbing equipment. However, the record evidence reflects the fact that hubbing and a variety of other interconnection terms and conditions may be available to these carriers only through their MFN clauses. According to Staff, CCT has not indicated that it wants additional types of interconnection. Tr. 884. Therefore, consistent with Ms. TerKeurst's testimony, it is Staff's position that Ameritech does not have to provide physical collocation or meet point interconnection to CCT in order to comply with the interconnection checklist requirements.

In the arbitration proceedings, Staff recommended using the Commission's Cost of Service Rule, 83 Ill. Adm. Code Part 791, to calculate a Long Run Service Incremental Cost ("LRSIC") for interconnection and network elements plus a markup to reflect a reasonable share of shared and common costs, excluding retailing costs. Staff Ex. 4.0 at 10. Staff states that its recommendations have been adopted by the Commission, and Staff believes the same methodologies should be utilized in evaluating Ameritech's pricing of interconnection.

In his rebuttal testimony, Staff witness Jennings explained that he reviewed the interconnection provisions of the TCG, MFS, and CCT contracts for compliance with the pricing standards of Section 252(d). He concluded that the prices contained in the TCG contract are the same as those adopted by the Commission in Dockets. 96 AB-003/4 and 96 AB-006. However, he also found that the interconnection prices in the MFS and CCT agreements are significantly higher than those adopted in the above dockets, and that the listed crossconnect rates for collocation did not comply with Section 252(d) because they were not cost-based. Staff Ex. 4.02 at 10-11. Since the Commission set rates for interconnection and collocation that were based on Section 252(d) in Dockets. 96-AB-003/4, Staff concludes that those rates must be used to determine if the rates in the MFS and CCT agreements are consistent with Section 252(d). Staff notes, however, that the price for meet point arrangements in those agreements is consistent with Section 252(d), since each carrier is responsible for its own cost of providing meet point interconnection.

In conclusion, Staff takes the position that while Ameritech provides interconnection to CCT through its agreement, there is no record evidence regarding whether the interconnection terms are consistent with the FCC requirements. Further, it states that the prices are not in compliance with Section 252(d), as discussed above. Because of this, Staff recommends that the Commission find that Ameritech does not meet the checklist requirements for interconnection

Sprint

Sprint asserts that it should be allowed to mix traffic types (i.e., local, intraLATA, and interLATA) on a single, nonjurisdictional trunk group. Its witness Reeves argues that utilization of such trunk groups is both feasible and necessary to ensure cost-effective and efficient interconnection. Sprint contends that, by refusing to agree to such

nonjurisdictional "supertrunks," Ameritech is artificially inflating Sprint's costs and hampering its ability to compete in the local market. With respect to measuring and billing the different traffic types combined on a single trunk group, it asserts that it can provide Ameritech and other connecting companies with accurate and auditable switch records that have commonly been used by neighboring ILECs to determine usage for similar billing purposes.

Ameritech

With respect to Sprint's position regarding use of a single nonjurisdictional trunk group for all traffic, Ameritech answers that the trunking options it provides are consistent with its obligation to transmit and route exchange access traffic. It provides one-way or two-way trunks for the purpose of integrating the end offices and/or tandem offices of carriers for the completion of local switched and interLATA toll traffic. As part of the options provided, Ameritech requires that CLECs use Toll Connecting Trunks ("TCTs") to carry interLATA toll-switched traffic. It maintains that, if nonjurisdictional trunks were used, neither Ameritech nor any other carrier would be able to isolate or measure the volume of each type of traffic that terminates over a single trunk group. This would necessitate the use of estimated percentage factors in lieu of actual measurements to create a bill. Ameritech contends that such "trust me" billing arrangements are not commercially reasonable or cost effective in the present market, noting that they would require costly changes to both Ameritech billing systems for reciprocal compensation and its systems for billing IXC access charges. Ameritech Ex. 2.1 at 9. Its trunking options, in contrast, permit each carrier to bill the originating carrier for actual minutes of use and actual rates at the time the call was made. Ameritech observes that the Commission recognized this in the MCI and Sprint arbitrations, finding that it was impossible to obtain accurate measurements over combined trunk groups and concluding in the Sprint decision that "Sprint will not be unduly impeded from competing in the local market by the adoption of Ameritech' proposed solution." Sprint Arbitration Decision, Docket 96-AB-008 at 6; see also MCI Arbitration Decision, Docket 96-AB-006 at 14-15.

With respect to Staff's position regarding the negotiated collocation prices contained in the CCT-Ameritech interconnection agreement, Ameritech argues that the prices, terms and conditions for interconnection and collocation contained in the AT&T-Ameritech interconnection agreement are available to CCT, MFS and TCG through the MFN clauses of their respective interconnection agreements, which enable those parties to incorporate such terms, conditions and prices at a service and element-specific level. Moreover, Ameritech points out that a substantial amount of record evidence demonstrates that its interconnection offering satisfies the FCC's regulations.

Commission Conclusion

The Commission finds that Ameritech provides interconnection to requesting carriers at all points required for the transmission and routing of telephone exchange traffic, exchange access traffic, or both, in accordance with the applicable FCC

Regulations. 47 C.F.R. § 51.305. The Commission further finds that Ameritech has established that, pursuant to Section 251(c)(6), it provides physical collocation on its premises of carrier-owned equipment necessary for interconnection with its network, and virtual collocation where technically feasible.

The Commission further finds that the trunking options Ameritech provides are consistent with its obligation to transmit and route exchange access traffic. Ameritech provides one-way or two-way trunks for the purpose of integrating the end offices and/or tandem offices of carriers for the completion of local switched and interLATA toll traffic. As part of the options provided, Ameritech requires that CLECs use Toll Connecting Trunks to carry interLATA toll-switched traffic. We agree with Ameritech's contention that, if nonjurisdictional trunks were used, neither Ameritech nor any other carrier would be able to isolate or measure the volume of each type of traffic that terminates over a single trunk group, which would in turn necessitate the use of estimated, percentage factors in lieu of actual measurements to create a bill. Such billing arrangements are not commercially reasonable or cost effective in the present market, as they would require extensive modifications to both Ameritech's billing systems for reciprocal compensation and its systems for billing IXC access charges. Ameritech's trunking options, in contrast, permit each carrier to bill the originating carrier for actual minutes of use and actual rates at the time the call was made. We so found in the MCI and Sprint arbitrations, noting that it was not possible to obtain accurate measurements over combined trunk groups and stating in the Sprint decision that "Sprint will not be unduly impeded from competing in the local market by the adoption of Ameritech's proposed solution." Sprint Arbitration Decision, 96-AB-008, at 6; MCI Arbitration Decision, 96-AB-006, at 14-15. The record evidence in this proceeding presents no reason to reach a contrary conclusion now.

Finally, the Commission disagrees with Staff on the issue of the sufficiency of evidence in the record and that, because the collocation prices negotiated by CCT and Ameritech are purportedly higher than those approved by the Commission in the AT&T-Ameritech arbitration, Dockets. 96-AB-003/004, Ameritech has not complied with the checklist requirements for interconnection. First, we find that substantial evidence in the record addresses and supports the fact that Ameritech's interconnection offerings satisfy the FCC's requirements. Second, as Ameritech correctly notes, the prices, terms and conditions for interconnection and collocation approved in Dockets. 96-AB-003/004, and contained in the AT&T/Ameritech interconnection agreement approved in Docket 96-AA-001, are available to CCT, MFS and TCG through the MFN clauses in those carriers' respective interconnection agreements with Ameritech.

Accordingly, we find that Ameritech has complied with the interconnection requirements of Section 271(c)(2)(B)(i).

2. Network Elements

a. Operation Support System

Checklist item (ii) requires Ameritech to provide nondiscriminatory access to network elements in accordance with the requirements of Sections 251(c)(3) and 252(d)(1). 47 U.S.C. §271(c)(2)(B)(ii). Under Section 271(c)(2)(B)(ii), Ameritech must provide access to unbundled network elements in accordance with Section 251(c) and the rules and regulations adopted by the FCC Order. Furthermore, Ameritech must meet any additional requirements established by the Commission based on Section 251(c) or the FCC Order.

In its Order, the FCC has established, at a minimum, the network elements that must be made available by an incumbent LEC. These elements are as follows:

(a) Local loop;
(b) Network Interface Device;
(c) Switching Capability including:
    (1) Local Switching; and
    (2) Tandem Switching Capability;
(d) Interoffice Transmission Facilities;
(e) Signaling Networks and Call-Related Databases including:
    (1) Signaling Networks (signaling links and signaling transfer points) and
    (2) Call-Related Databases (used in signaling networks for billing and collection or the transmission, routing, or other provision of a telecommunications service (e.g., LIDB, 800, etc.) and;
    (3) Service Management Systems;
(f) Operations Support Systems Functions ("OSS") (pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's databases and information by no later than January 1, 1997); and
(g) Operator Services and Directory Assistance. 47 CFR Section 51.319. All of these items except Network Interface Devices, Tandem Switching Capability, and OSS Functions are listed as separate checklist items in Section 271(c)(2)(B), in addition to the general network element item in Section 271(c)(2)(B)(ii).

In this section, we address Ameritech's provision of nondiscriminatory access to OSS, network interface devices, and dark fiber. Ameritech's provision of nondiscriminatory access to other unbundled network elements is addressed elsewhere in this Order.

~~Staff~~

~~Staff points out that the OSS are crucial to the development of local exchange competition. In light of their importance, it recommended that Ameritech be required to demonstrate, through empirical evidence, that its OSS are operational and functional; otherwise carriers may never be in a position actually to purchase unbundled network elements and/or wholesale services from Ameritech. Staff further contends that the only way to ensure this is through actual use because internal testing by Ameritech does not assure that other carriers will be able to utilize its system.~~

~~Staff contends that the OSS are mutually dependent on both Ameritech and the interconnecting carriers and that Ameritech should not simply have the OSS set up on its side of the interface and await interconnection and use by other carriers. Staff Ex. 4.02 at 2. Staff witness Jennings noted that in order for the OSS to work in a commercially feasible manner, Ameritech has the added responsibility to ensure the connecting carriers have sufficient information of its OSS, including working with carriers that experience rejected orders and/or orders that require manual intervention.~~

~~Staff contends that it was not sufficient for Ameritech's OSS to have undergone internal testing in order for the OSS to be deemed operational. Staff states that the completion of internal testing of the various OSS is no assurance that other carriers will be able effectively to utilize the OSS in a commercially feasible manner. Staff notes that there may be oversights in a carrier's implementation of Ameritech's OSS specifications manuals. Alternatively, Staff states that Ameritech's OSS specification manuals may not be entirely clear, so that a carrier may reasonably interpret the manuals differently than interpreted by Ameritech. Such a situation would result in an error and failure to complete an order. Therefore, Staff asserts that it is essential that Ameritech's OSS meet the following criteria: internal testing by Ameritech; testing with other carriers; and operational readiness. The operational readiness is the most difficult criterion to define and can be different for each carrier. It is dependent on a carrier's testing with Ameritech to a level where the carrier can successfully utilize Ameritech's OSS on a commercially feasible level.~~

~~Staff defines a commercially feasible level as a level which implies that carriers are able to utilize Ameritech's OSS in a manner sufficient to accommodate the demand of a new LEC's services by end users. Id. at 3. Staff contends that in order for a carrier to effectively compete in the local exchange market, the carrier must be able to offer its services to the general public with the expectation that all service orders will be processed.~~

~~With respect to the current status of the five OSS interfaces, Staff states as follows:~~

~~1. With respect to the pre-ordering interface, Ameritech has performed carrier to carrier testing with USN for the access to customer service record, telephone~~

~~number selection, and due date selection. Tr. 1046. USN is the only carrier in Illinois currently utilizing the pre-ordering OSS interface. Staff Cross Ex. 3. Question 3-6.~~

~~2. The ordering OSS consist of two separate interfaces, an EDI interface for resale services and an ASR interface for trunks and unbundled loops. Staff Cross Ex. 3, Question 3-2. Ameritech has completed internal testing of the EDI and ASR interface. Staff Cross Ex. 3, Question 3-7. USN is the only carrier in Illinois currently utilizing the EDI interface for ordering resale services. Ameritech has performed carrier-to-carrier testing with USN for the EDI interface and AT&T is currently in the testing phase of the EDI ordering interface. Tr. 1047-1049. In addition, Ameritech has performed carrier-to-carrier testing of the ASR interface with MFS; however, this interface has been available for other purposes (i.e. ordering trunks) for some time. Tr. 1049. Both MFS and CCT currently are using the ASR interface for ordering unbundled loops and trunks. Staff Cross Ex. 3. Question 3-7.~~

~~3. The provisioning interface also consist of two separate interfaces, EDI and ASR. The EDI provisioning interface includes the following functions: order confirmation, order jeopardy, and order completion. The ASR provisioning interface just includes the provisioning function which allows the ability to identify that an order is being processed by Ameritech. Staff states Ameritech has performed internal testing of both the EDI and ASR provisioning interface. Staff Cross Ex. 3, Question 3-8. Ameritech has performed carrier-to-carrier testing for firm order confirmation and order completion functions with the same carriers that tested the ordering EDI interface. Tr. 1049. However, Ameritech has not performed carrier-to-carrier testing of the order of jeopardy function. Tr. 1050. Currently, USN is the only carrier in Illinois currently using the EDI provisioning interface. However, both MFS and CCT are currently utilizing the ASR provisioning interface.~~

~~4. The billing OSS includes the following functions: daily usage, bill lines (ACIS billing format), and bill trunks (CABS billing format). Staff Cross Ex. 3. Question 3-4. Ameritech has completed internal testing of the billing interface. Staff Cross Ex. 3, Question 3-9. In addition, Ameritech has performed carrier-to-carrier testing of the billing interface with several companies. Tr. 1050. Currently, USN, MFS, United Communications, OneStop, and LCI are using the daily usage and bill lines function of the billing interface. MFS and CCTS are using the bill trunks interface. Staff Cross Ex. 3, Question 3-9.~~

~~5. The repair and maintenance OSS includes trouble entry and trouble status. Staff Cross Ex. 3, Question 3-5. Ameritech has completed internal testing of both trouble entry and trouble status functions. However, Staff asserts that there has been no carrier-to-carrier testing of the repair and maintenance interface. Tr.~~

1050-1051. Ameritech is not currently providing the repair and maintenance OSS in any of its five state region. Staff Cross Ex. 3, Question 3-10.

Using the three criteria referenced by Mr. Jennings, internal testing, carrier-to-carrier testing, and operational readiness, Staff takes the position that the OSS requirement has not been met. The pre-ordering interface has just been developed and only one carrier is currently utilizing it. Supra. In addition, only USN is currently utilizing the provisioning interface.

Staff notes that the CCT/Ameritech agreement provides for OSS. Sections 9.5.1 and 17.0 of the agreement. Staff refers to Section 17.0 which states that Ameritech will provide OSS consistent with the 1996 Act and the FCC Order. Staff also refers to the testimony of CCT witness Scott Jennings, which states that CCT is experiencing difficulty advising customers about the status of repairs and that CCT was still experiencing problems. Tr. 896. Staff further notes that Mr. Jennings testified that CCT will be requesting electronic interfaces for repair and maintenance at the next meeting with Ameritech. Tr. 927. Based on all of the foregoing, Staff recommends that the Commission find that Ameritech has not met the OSS checklist requirement.

AT&T

AT&T submitted that Ameritech has yet to fulfill the checklist requirement to provide nondiscriminatory (i.e., at parity with Ameritech's retail operations) access to its OSS for pre-ordering, provisioning, maintenance, repair, and billing. AT&T agreed with Staff and other parties that the development of electronic interface specifications can be deemed complete only after a period of meaningful integration testing. Such operational testing has not taken place. It is not until there is a proven ability to communicate effectively and efficiently, from end-to-end, that a system can be said to be in a state of operational readiness.

AT&T noted that such systems do not now exist in Illinois. Instead, the evidence demonstrates that the specifications for the electronic interfaces are being continually updated and revised by Ameritech, making it difficult for CLECs to design their interfaces to be compatible with those of Ameritech. (Rogers, Tr. 1106-1107). In addition, the evidence unequivocally shows that the interfaces have not been tested to show that they are operationally ready, i.e., ready to be used by CLECs on a commercial basis actually to serve customers.

Most importantly, AT&T stressed that the integrity of Ameritech's OSS process is suspect and has not been sufficiently operationally tested under marketplace conditions. AT&T notes that at least 70% of the orders processed over Ameritech's electronic interfaces have, for undisclosed reasons, "fallen out" to manual processing efforts. (Rogers Tr. 1071, 1143-45). This inability to process orders electronically raises serious questions as to whether Ameritech can reliably handle competitively significant volumes of orders in real-world conditions. AT&T also notes that Ameritech's marketplace testing

of its OSS has been confined to small carriers and that even these carriers have recorded significant problems with Ameritech's OSS.

With respect to unbundled network element ("UNE") combinations for the UNE platform, AT&T notes that Ameritech has not submitted any specifications. Similarly, it has not conducted any testing relating to UNE.

AT&T further contended that Ameritech's proposals for measuring whether it is providing access to OSS at parity, as required by the Act and the FCC regulations, are deficient. For instance, in assessing time to repair POTS, Ameritech proposes to report only on its success rate at restoring service within a 24 hour time period, tracking "% exceeding" that stated target. (Mickens Rebuttal, Ameritech III. Ex. 8.0, Schedule 2). This approach would not reveal disparities in average performance within the targeted range. For instance, assume that the average "time to restore" for Ameritech customers was five hours as compared to an average "time to restore" of 20 hours for AT&T customers but, in both cases, restoration time exceeded Ameritech's target interval in only 3% of the cases. Ameritech's proposed parity performance report would report this level of performance as "nondiscriminatory."

AT&T further asserts that Ameritech's plan does not account sufficiently for service mix differences. For example, installation intervals for complex business orders are likely to be substantially longer than installation intervals for single line residence basic local service. Yet Ameritech proposes that it report average performance across all services, potentially masking poor performance in any individual area. For example, an average installation interval of ten days may be acceptable if 90% of the orders were complex business orders but wholly unacceptable if 90% of the orders were for basic single line residential service. In fact, internal Ameritech performance reports separate performance data between residence and business. (Mickens, Tr. 1383; AT&T Cross Exhibit 11).

Similarly, AT&T points out that Ameritech's proposal fails to account for varying activity mixes. As a simple example, service repair where a premises visit is required will, on average, take more time than service repair that is remotely administered. A single restoration interval covering both scenarios likewise may result in deceptive performance results. Again, internal Ameritech reports acknowledge similar distinctions (Mickens, Tr. 1390-92; AT&T Cross Ex. 12). See also Pfau Supp. Testimony,, AT&T Ex. 3.1at 5-14.

For all of these reasons, AT&T concluded that it is far too premature to find that Ameritech has satisfied this checklist item especially in light of OSS's importance to effective market entry and Ameritech's disincentive to ensure their full implementation if it is granted interLATA authority now.

Sprint

Sprint agrees with Staff's view that the best way to evaluate whether Ameritech's OSS are functional is through actual use rather than sufficient internal testing by

Ameritech. It asserts that it is far too premature to gauge whether Ameritech's OSS is operational.

Ameritech

Ameritech states that there are two key elements for purposes of determining whether it meets its OSS obligations. Ameritech Ex. 9.0 at 3. The first element, which it calls "operational readiness," is that the interfaces must be operational in the marketplace and/or have undergone sufficient testing to ensure that they will provide competitors with the requisite OSS related capabilities. Id. Ameritech refers to the second element as "capacity readiness," which refers to sufficient capacity being built into the interfaces or the interfaces must be expandable on a timely enough basis to respond to marketplace demand. Ameritech contends that its OSS interfaces meet these standards.

Ameritech introduced evidence describing the operational readiness of its interfaces. With respect to the pre-ordering interface, which is used for both resold services and unbundled network elements, Ameritech states that internal testing was completed for all applicable functions; including access to CSRs, telephone number selection and due date selection. The remaining two functions, address validation and feature availability, also have been tested, and have been up and running since February 1996. Id. at 27; Ameritech Ex. 8.0 at 18. With respect to the ordering, provisioning, repair and maintenance, and billing interfaces for unbundled network elements, Ameritech states that they were thoroughly tested before being put in commercial operation. Ameritech Ex. 9.0 at 7, 9. Ameritech further states that since April 1995 the ASR ordering interface has been used to process orders for unbundled loops. Id. at 7; AI Ex. 8.0 at 24. Ameritech further states that the provisioning interface, which provides firm order confirmations, has been processing live transactions since April 1996. Ameritech Ex. 9.0 at 7. It further asserts that the repair and maintenance interface currently is in use by AT&T and MCI and will soon be in use by Sprint, in connection with carrier access services. Id. at 8. Ameritech states that this interface has been up and running for almost two years. Ameritech Ex. 8.0 at 7-8. It states, however, that thus far competing providers of local service have not requested it, as they prefer to use a manual interface. Ameritech Ex. 9.0 at 8. Billing for unbundled loops has been provided through the Carrier Access Billing System ("CABS") since April 1995. Id. at 9. With respect to resold services, the interfaces have been subject to extensive internal testing and carrier to carrier testing. Id. at 10-11, 13-23. The resale ordering interface has been operational and in use by USN since February 1996. Ameritech Ex. 8.0 at 6, 24. In addition, during system testing with AT&T, live customer accounts have been converted to AT&T accounts. Ameritech Ex. 9.0 at 11. All three provisioning functions firm order confirmation, order completion, and order status are operational, and the first two are being used by USN. The repair and maintenance interface for resold services is the same interface used for unbundled network elements, and has not yet been requested by a local carrier. Id. at 11-12. The resale billing interfaces have been operational since February 1996, and have been used to send bills and daily usage feeds since April 1996. Id. at 12. Its interfaces are consistent with industry standards. Ameritech Ex. 8.0 at 6-9; Tr. 1053, 1090.

Ameritech provided additional information pertaining to the operational readiness of its OSS interfaces. It provided testimony stating that internal testing of the pre-ordering interface has been completed. Staff Cross Ex. 3 (JEJ 3-6). Ameritech states that the pre-ordering interface underwent carrier-to-carrier testing with USN, and was implemented by USN, in January 1997. Tr. 1046-47. Ameritech avers that the resale ordering interface was tested by USN for about three months in 1996, and then implemented by USN. Tr. 686, 740-41, 1048-50. It states that the order status function of the resale provisioning interface became available on December 16, 1996, but, up to the present, no competing carrier has requested to test or use it. Tr. 1050. Ameritech notes that order status is not a separate interface, but just an additional transaction going over an existing interface. Tr. 1170. It states that the ASR ordering interface for unbundled network elements underwent carrier-to-carrier testing with MFS, and currently receives 1400 orders per month in Illinois from CCT and MFS, and responds with firm order confirmations. Staff Cross Ex. 3 (JEJ 3-7 through 3-8).

On the issue of capacity, Ameritech argues that its interfaces have more than enough capacity to meet marketplace demand. Ameritech Ex. 9.0 at 28-44, Sch. 2. Ameritech explains that it planned capacity based on demand forecasts where competing carriers supplied them, and on aggressive market entry scenarios for non-responding carriers; as a result, the capacity required to serve large carriers like AT&T and MCI when they enter the market already is in place. AI Ex. 8.0 at 21-22; Ameritech 9.0 at 28-29, 32-35. Ameritech explains further that it planned capacity with at least a 6-month lead built-in, so there is enough capacity installed now to meet the projected demand for July 1997, and there will be enough capacity in July to meet demand in December.

Ameritech argues against application of Staff's proposed three-part test for OSS compliance. Ameritech Brief at 65-71. It asserts that Staff's proposed test reflects and implements its broader policy/legal view that all checklist items actually must be furnished to competing carriers on a commercial basis. Id. at 66. Thus, the grounds on which Ameritech opposes Staff's broader position are applicable in the OSS context as well. Id. In addition, Ameritech argues that Staff's three-part test constitutes an illegitimate expansion of the controlling FCC requirement that OSS interfaces be provided "upon request." Id. at 66-67 (citing First Report and Order, ¶ 525). Moreover, Ameritech argues, Staff's proposed test lacks well-defined standards against which its efforts to comply could be measured; in particular, Staff offers no clear guidance for determining the point at which "each carrier" has been afforded a "reasonable opportunity" to design, implement and test the interfaces, and is "successfully utilizing" the interfaces on a "commercial scale." Id. at 67-69.

Finally, Ameritech argues that Staff's test is poor public policy because: (1) the requirement that "each carrier" be given the same "reasonable opportunity" in the OSS context clashes with Staff's willingness to accept a "mix-and-match" approach in other areas; (2) this same requirement will guarantee Ameritech's competitors a head start in the "one-stop shopping" marketplace; and (3) Staff's approach renders Ameritech's

checklist compliance completely dependent on the actions and good faith of its competitors -- even though Staff recognizes that carriers might not interface successfully with Ameritech's OSS for reasons wholly unrelated to its actions. Id. at 69-71.

With respect to AT&T's allegations, Ameritech responds that its interface specifications are well-defined and stable, and charges that AT&T fails to identify any specific deficiencies or material changes of the sort that would require competing carriers to redesign their systems just to maintain existing functionalities. Ameritech Brief at 72-74. It observes further that, beyond specifications, it provides competing carriers with training manuals, sends experienced personnel to provide "walk-throughs" of OSS processes, and offers to review the design and implementation of competing carriers' systems. Id. at 73-74. According to Ameritech, AT&T did not take full advantage of these opportunities. Id at 74.

Second, Ameritech takes exception to AT&T's examples of its alleged failure to comply with industry standards. Id. at 74-77. It states that USOCs are not defined by Ameritech, but by Bellcore, for use on a nationwide basis. Id. at 75. Third, in response to AT&T's charge that it refused to share its "business rules" in connection with 860 transactions, Ameritech cites to AT&T witness Connolly's concession on cross examination that, although he previously testified that Ameritech disclosed its approach to 860s only after AT&T sent its first 860 in October 1996, in fact, specifications issued by Ameritech in early August 1996 clearly laid out Ameritech's approach. Id. at 77. Fourth, regarding the testing with AT&T, Ameritech cites to Mr. Rogers' analysis of the results, in particular the reasons for order rejections, which tend to show that the rejections were proper and not caused by Ameritech's side of the interface. Id. at 78-80. Ameritech also contends that the manual intervention rate is irrelevant to checklist compliance, because the checklist obligation is to provide electronic access to OSS functions, not fully electronic processing of all orders. Id. at 80. With respect to the processing of orders, the relevant inquiry is whether due dates are met on a parity basis.

COMMISSION CONCLUSION

Ameritech's provision of this item does not meet the standards we espoused earlier in Section II. C. of this order. The problem is clear -- it is simply too early for us to determine whether the OSS will operate properly. We are not convinced that the internal testing performed by Ameritech can solve all of the problems that will arise. Without actual testing with other carriers, this checklist item cannot be available. We agree with Staff that we must be provided with empirical evidence that Ameritech's OSS are operational and functional.

We are especially concerned with the problems described in the testimony of CCT witness Scott Jennings, which indicates that CCT is experiencing difficulty advising customers about the status of repairs and that it was still experiencing problems.

~~Meeting this checklist item requires more than Ameritech having its side of the interface operational. In order to meet the checklist, Ameritech must ensure the connecting carriers have sufficient information of Ameritech's OSS, including working with carriers that experience rejected orders and/or orders that require manual intervention.~~

~~Ameritech must also show that carriers are able to utilize Ameritech's OSS in a sufficient manner that will accommodate the demand of a new LEC's services by end users. At thus point we are not convinced that carriers will be able to offer its services to the general public with the expectation that all service orders will be processed.~~

Most of the supplemental proceeding, phase II, dealt with the OSS issue. Ameritech states that there are two key elements for purposes of determining whether it meets its OSS obligations. The first element, which it calls "operational readiness," is that the interfaces must be operational in the marketplace and/or have undergone sufficient testing to ensure that they will provide competitors with the requisite OSS-related capabilities. Ameritech call the second element "capacity readiness," which refers to sufficient capacity being built into the interfaces or the interfaces must be expandable on a timely enough basis to respond to marketplace demand. Ameritech contends that its OSS interfaces meet these standards.

Ameritech argues against application of Staff's proposed three-part test for OSS compliance. It asserts that Staff's proposed test reflects and implements its broader policy/legal view that all checklist items actually must be furnished to competing carriers on a commercial basis. Thus, the grounds on which Ameritech opposes Staff's broader position are applicable in the OSS context as well. In addition, Ameritech argues that Staff's three-part test constitutes an illegitimate expansion of the controlling FCC requirement that OSS interfaces be provided "upon request." (citing First Report and Order, ¶ 525). Moreover, Ameritech argues, Staff's proposed test lacks well–defined standards against which its efforts to comply could be measured; in particular, Staff offers no clear guidance for determining the point at which "each carrier" has been afforded a "reasonable opportunity" to design, implement and test the interfaces, and is "successfully utilizing" the interfaces on a "commercial scale."

Finally, Ameritech argues that Staff's test is poor public policy because: (1) the requirement that "each carrier" be given the same "reasonable opportunity" in the OSS context clashes with Staff's willingness to accept a "mix and match" approach in other areas; (2) this same requirement will guarantee Ameritech's competitors a head-start in the "one-stop shopping" marketplace; and (3) Staff's approach renders Ameritech's checklist compliance completely dependent on the actions and good faith of its competitors -- even though Staff recognizes that carriers might not interface successfully with Ameritech's OSS for reasons wholly unrelated to its actions.

With respect to the operational readiness of the pre-ordering interface, Ameritech states that USN Communications, Inc. ("USN") has tested and currently is using the pre-

ordering interface. Since January 1, 1997, a total of 7685 transactions have successfully traversed this interface, 1677 in January, 2053 in February, and 3955 in March.

With respect to the EDI ordering and provisioning interface, Ameritech states that the following carriers have tested and currently are using the EDI ordering and provisioning interface: AT&T, MCI Metro, Network Recovery Services ("NRS") and USN. Another carrier, The Millenium Group, also is using the interface. Ameritech states that these carriers are using the ordering, firm order confirmation ("FOC") and order completion functionalities. During the period from January 1, 1997 through March 31, 1997, a total of 3838 resale orders w received electronically over the interface. Of these, Ameritech states that 3179, or 82.8%, were processed successfully and of these, 1946 orders were processed successfully without manual intervention. The other 1233 orders were successfully processed with manual intervention. Ameritech acknowleges that the remaining 659 orders were rejected.

With respect to the ASR ordering and provisioning interface, Ameritech states that the following carriers have tested and are using the ASR interface to order unbundled loops and end office integration ("EOI"): Brooks Fiber, CCT, MFS and TCG. An additional carrier, ICG, has tested and is using the ASR interface just for ordering EOI. Ameritech maintains that between January 1, and March 28, 1997, 7539 orders for unbundled loops were received and processed successfully. Ameritech further states that orders for EOI also were received and processed successfully.

Ameritech states that the maintenance and repair electronic interfaces are not in use by any local exchange carriers, because none has requested to use it. However, Ameritech witness Rogers explained that this interface is the same one that has been in use for two years by IXCs in connection with access service. Ameritech also notes that this interface ~~also~~ is currently in use by an Ameritech affiliate, Ameritech Pay Phone Services ("APS"). With respect to APS, Ameritech states that between January 1, and March 30, 1997, 10,366 trouble reports were received successfully.

With respect to the electronic interfaces for billing, Ameritech explains that between January 1, and March 26, 1997, approximately 27 million records were transmitted via the EMR daily usage interface. Ameritech states that the carriers using this interface are: AT&T, Brooks Fiber, CBG, CCT, CimcoComm, Coast-to-Coast, ICG, LCI, MCI and MFS, The Millenium Group, NRS, OneStop, UnitedComm, USN, and WinStar. The AEBS billing interface has been used in the same period for 34 transmissions, which occur on a monthly basis, by the same carriers except for Brooks and CCT. The CABS billing interface currently is in use by Brooks Fiber, CCT and MFS.

Ameritech further states a team of outside systems experts conducted a comprehensive review of the internal testing, carrier-to-carrier testing and actual use of the interfaces, and concluded that they are operationally ready. Ameritech states that the same conclusion ~~is~~ was reached by carriers who actually use the interfaces.

Ameritech takes exception to Staff's position against the reliance on internal testing of interfaces. Ameritech maintains that where no carrier has requested to use or test an interface, internal testing of the interface is the most effective option.. Moreover, Ameritech states that where the interface already has been proven to work, internal testing is an appropriate means of confirming that a new transaction will traverse it.

Ameritech also states that it is providing requesting carriers with comprehensive ordering guides for unbundled network elements ("UNEs") and resold services. Ameritech presented six binders, two comprising the Unbundling Service Ordering Guide, and four comprising the Resale Services Ordering Guide. Ameritech also is providing requesting carriers with an updated version of its Electronic Service Ordering Guide ("ESO Guide"). Ameritech states that it developed the ordering guides as an additional tool to facilitate carriers' entry into the local market.

In addition, Ameritech states that it works directly with other carriers to assist in solving problems that arise in the use of the interfaces. Ameritech states that its information technology professionals have daily conference calls and weekly "summary" calls with AT&T to discuss electronic ordering. Ameritech explains that MCI presently is engaged in testing the EDI ordering interface and Ameritech is in daily contact with MCI regarding OSS. Similarly, Ameritech states that it has had frequent meetings with both MFS and CCT to discuss the interfaces.

Ameritech finally states that its interfaces will enable competing local exchange carriers to meet demand from their end users. Ameritech states that it has built substantial spare capacity into its interfaces to meet demand.

Ameritech presented the testimony of Robert H. Meixner, a partner in the Communications Industry Group at Andersen Consulting. He testified that their review of the results of internal testing, carrier-to-carrier testing and actual use of Ameritech's OSS interfaces leads them to believe that the interfaces are operationally ready.

Mr. Meixner testified that Arthur Andersen and Andersen Consulting (hereinafter the "Andersen Team") conducted a thorough review of its interface specifications and user guides under his direction during March and April of 1997. He stated that, based on that review, the Andersen team attested to the fact that CLECs have been given sufficient information to build to Ameritech Illinois' interfaces. He further stated that the Company has also demonstrated that it works extensively to improve order flow with those CLECs which have experienced rejected orders . He stated that, with the passage of time, the number of interfaces which have been the subject of carrier-to-carrier testing and the number of CLECs which have participated in such tests haves increased and more of the interfaces are now in commercial use. Mr. Meixner also testified that the Andersen team ~~also~~ reviewed the capacity of Ameritech Illinois' OSS interfaces and confirmed their ability to handle expected demand from the CLECs.

Ameritech also had Rachel Foerster, an expert on EDI matters, review its EDI interface specifications. She testified that its interface specifications fully comply with national EDI standards and provide CLECs with the information they need.

Staff continues to believe that Ameritech has not yet demonstrated the operational readiness of its OSS or that its OSS can be used in a commercially feasible manner. Staff is critical of the operational status of its OSS interfaces. Staff disputes Ameritech's claim that the only interface which has not been subject to carrier-to-carrier testing is repair and maintenance. Staff also disputes Ameritech's claim that the only interfaces that are not in use by CLECs are telephone number selection, due date selection, and unbundled network element repair and maintenance.

Staff states that OSS ordering is being used only for end office integration and unbundled loops, not all network elements. In addition it argues that carrier-to-carrier testing has been performed for OSS ordering only for line ports and service provider number portability. Staff also criticizes the fact that unbundled loop orders utilize the Access Service Request ("ASR") interface, which requires manual intervention for unbundled loop orders. Staff notes that Ameritech Illinois is requiring both the ASR and Electronic Data Interchange ("EDI") interfaces for ordering unbundled elements, making it necessary to use more than one interface for ordering individual network components.

Regarding the repair and maintenance interface, Staff does not concur that APS should be considered a "CLEC" for purposes of checklist compliance. As pointed out in the Staff's Supplemental Initial Brief, it does not believe that there was an arms-length relationship in the development of the repair and maintenance interface used by APS. Staff notes further that Ameritech Ex. 11.0, Schedule 3 shows that APS has used only one of the four repair and maintenance OSS functions that Ameritech claims to offer.

Finally, regarding billing, Staff refers to Ameritech Ex. 11.0, Schedule 3, which reports no carrier-to-carrier testing and limited actual use. Staff considers the lack of testing and use a significant issue because of Ameritech's admission that there is a potential for double billing right now. See Tr. at 1895. Staff disagrees with Ameritech that the marketplace impact on the IXCs has been minimal. It does not believe that double billing is a minor problem, and believes that the potential for marketplace damage to potential competitors is very real. Staff takes the position that, although the dollar amounts at issue are small, the perception by potential customers that they may be subjected to similar errors could be a major impediment to CLECs attracting additional customers.

Staff further notes that for the time period January through March 1997, approximately 50% of the orders received electronically were processed electronically as planned. The other 50% of the electronic orders were either placed manually or were rejected. Staff does not believe this level of performance leads to a conclusion that Ameritech's OSS can be considered "operationally ready."

AT&T argues that the additional evidence adduced in the record during the supplemental phase of this proceeding has served only to undermine Ameritech's assurances that these systems are adequately tested, operationally ready and adequate to support the demands of CLECs. It contends that, as of the January hearings in this docket, Ameritech proclaimed its (then) new OSS to be ready, based largely on internal testing. According to AT&T, two conclusions can be drawn from the additional evidence: (1) Ameritech's January assertions of operational readiness have been entirely discredited as premature and unfounded; and (2) although Ameritech is beginning to show signs of progress in processing orders (particularly simple "as is" or "as specified" resale orders), its OSS continues to be plagued by a variety of significant operational problems. AT&T argues that this documentary record, along with the admissions of its witnesses on the stand, systematically undercuts Ameritech's reassurances that its OSS are adequate.

AT&T also criticizes the Andersen Team's review of OSS. AT&T states that the Andersen team reviewed only the OSS interfaces themselves, not the interaction of those systems with Ameritech's downstream "legacy" systems or the legacy systems themselves and, therefore, they ignored problems such as double billing, late order confirmation, and others that have arisen in Ameritech's systems and that directly and substantially affect Ameritech's order processing.

AT&T states that it now has acquired experience with Ameritech's OSS ordering and provisioning interface. It contends that the actual performance data for this interface during the first quarter of 1997 amply demonstrates that Ameritech is not yet able to support competitive market entry in a stable, reliable and nondiscriminatory manner. Through Mr. Connolly, AT&T presented a detailed discussion of Ameritech's OSS actual performance. Specifically, Mr. Connolly noted that between January 1 and April 4, 1997, AT&T submitted 1,444 customer orders to Ameritech. He contended that the vast majority of those orders were "assume as specified" orders, or orders which involve only the simple migration of residential customers from Ameritech to AT&T. He testified that despite the simplicity of the orders, AT&T's orders consistently were subjected to unreasonably high rejection rates, unjustified delays in processing, and unacceptable levels of manual intervention.

Mr. Connolly further testified that, in reporting on its performance, Ameritech alleged that it was meeting due dates for the vast majority of CLEC orders. He stated that this is because the "due date" that Ameritech is meeting is one that Ameritech has assigned to the order not the date requested by CLECs. Of the 211 orders submitted by AT&T during the week of March 23, Ameritech modified the requested due date for approximately 44% of the customers. Accordingly, he emphasized that when Ameritech's performance for that same week is assessed against the AT&T requested due date, Ameritech completed over 40% of AT&T's orders late.

Mr. Connolly further testified that as order volumes grow, Ameritech is increasingly unable to process orders in a timely manner. During the last two weeks of April, the

volume of orders AT&T submitted to Ameritech increased substantially. See AT&T Cross Ex. 19. He emphasized that as AT&T's order volumes ramped up, Ameritech's performance deteriorated despite the fact that the total volume of orders submitted was well within Ameritech's well publicized capacity claim of 250,000 orders a month, or in excess of 10,000 per day. Tr. 1947, 1950. He stated that the performance deterioration can be seen most dramatically in the growing number of "backlogged" 855s, a system-generated acknowledgment transaction that should be sent "within minutes" of receipt of an order into Ameritech systems. See Tr. 1946. As an example, Mr. Connolly refers to the 899 orders inserted on April 25, 1997. Of these orders, 309 had not yet been acknowledged by receipt of an 855 four days later. See AT&T Cross Exs. 13 and 36.

AT&T contends that these orders are backlogged because of manual intervention. See Tr. 1951. It contends that the amount of manual intervention -- particularly at the levels utilized by Ameritech -- causes delays in processing. AT&T contends that the data indicates that a causal link exists between manual fall-out and processing delays, as is conclusively demonstrated by Ameritech's own internal analysis of 855 response time. See AT&T Cross Ex. 20. It cites the 855 response time data reported by Ameritech for the week ending April 25:

855 Response Time by % of Orders

	Within 24 hours	Over 24 hours
Completed automatically:	96.5%	3.4%
Completed manually:	45.0	55.0
Rejected automatically:	100.0	0.0
Rejected manually:	6.3	93.8

AT&T Cross Ex. 20, p.1.

AT&T argues that the amount of manual intervention introduces the potential for additional processing errors. It contends that Ameritech service representatives can make errors that cause orders to be rejected or mishandled. See AT&T Cross Ex. 32 (discussing order processing problems raised by AT&T which Ameritech conceded were caused by "service representative error"). AT&T also cites the cross-examination of Ameritech's own EDI expert, Ms. Foerster, where she stated that removing manual tasks and activities will increase the accuracy and efficiency of the processing flow. Tr. 1650.

AT&T argues that manual processing cannot simply be dismissed as an appropriate "internal business strategy," as Ameritech characterizes it. AT&T contends that the high percentage of orders subject to manual intervention must be considered when assessing OSS availability.

AT&T also complained of the "late 865" problem. An 865 acknowledgment is sent to CLECs by Ameritech when a CLEC order is completed. AT&T explains that, upon

receipt of an 865, a CLEC can acknowledge the newly-acquired customer, send the customer necessary account information, attempt to sell the customer additional services and begin billing the customer for local usage. In prioritizing this problem, Ameritech categorized it as "priority 3"-- meaning that resolution of the problem could wait until the next release of the application. AT&T further stated that by early March, AT&T was receiving late 865s for approximately 80% of the orders it submitted. AT&T asserteds that, although Ameritech states that the problem has been resolved, no performance data supports that conclusion.

In AT&T's opinion, AT&T also states that the Andersen review was simply too narrow in scope to be informative and too shallow in execution to be credible. Accordingly, the conclusions reached by the Andersen team are of questionable validity and are of no real usefulness to the Commission.

AT&T asserted that the scope of the review was very narrow.- AT&T noted that the Andersen team spent approximately 3,500 labor hours evaluating only the performance of the Ameritech interfaces -- or the door through which CLEC orders must pass on their way to being processed by Ameritech's underlying legacy family of systems. AT&T stated that the Andersen team failed to look at any of the "downstream" processing systems used to track or complete orders, restore failed service, track customer usage or generate billing. Furthermore, AT&T was critical of the fact that the Andersen team did not concern itself with actual performance data relating to due date performance, the late 865 problem; the mounting order backlog issues; or the myriad of other performance issues raised by AT&T and other CLECs. See Tr. 1800-01, 1805-10. AT&T complained that the Andersen team neither asked for, received, nor reviewed any data relating to the multiple system problems that Ameritech was and is currently experiencing. AT&T also notes that no CLECs were contacted or interviewed (Tr. 1782), and no effort was made to determine whether any CLECs had problems in accessing Ameritech's systems. Tr. 1784.

MCI raised similar questions about Ameritech's OSS.- In addition, it expressed concern over what it called Ameritech's fragmented OSS system. MCI stateds that CLECs are forced to use different interfaces for different pieces of what should be a single transaction. In particular, it complaineds that separating the ordering process for loops and unbundled local switching between two separate and distinct ordering systems (EDI for switching and ASR for loops) forces CLECs to duplicate time and effort to order through separate interfaces a single loop and a single loop port just to provide basic telephone service to a single customer. Moreover, while Ameritech's ASR interface is available for CLECs to order loops, CLECs must submit orders for service disconnect and for interim local number portability ("ILNP") -- both of which are usually required in any order for unbundled loops -- by fax.

Accordingly, MCI contends that due to the fragmented nature of Ameritech's OSS, CLEC efficiency gains from automated interfaces are lost. It states that it would realize little benefit, for example, using the ASR automated interface to order loops because virtually every loop order requires manual processing for service disconnect and ILNP.

MCI notes that it, like any CLEC, requires an automated solution that accommodates all discrete pieces that are involved in the provision of service via unbundled elements because the whole transaction is only as efficient as its weakest part."

MCI maintains that these problems are not insoluble. Industry forums have defined an EDI interface that accommodates (among other things) the ability to order unbundled loops, switches, service disconnect and ILNP together. It states that, this is the industry standard solution. It complains that Ameritech does not anticipate making available an EDI interface for unbundled network elements within the next six months, even in the best of circumstances. Phase II Tr. at 2020-21, 25. MCI states that until the EDI interface for unbundled elements is available in Illinois, CLECs will continue to be forced to fragment their OSS activities between disparate automated and manual processes and, as in the case of unbundled loops, often lose the efficiency gains of automation.

MCI also cited the percentage of manual processing as a significant problem. MCI maintains that significant manual intervention is not workable in a mass market environment. According to MCI witness Miller:

> Every manual intervention causes delay, sometimes substantial, and creates significant risk of error. By relying on manual intervention, Ameritech can hold its competitors hostage to its own response time, hours of operation, and ability (or incentive) to provide accurate information. Also, manual arrangements increase CLEC costs.

MCI Ex. 5 (Miller) at 8.

MCI argues that, so long as Ameritech's OSS systems involve Ameritech's manual processing of CLEC orders and requests, CLECs will be at a significant and real disadvantage in competing against Ameritech since Ameritech will control the timeliness and accuracy of provisioning. It further contends that, because of the high degree of manual processing common to Ameritech's OSS, the opportunities for Ameritech's loyal employees to discriminate against CLECs are far too overwhelming to ignore.

MCI also cites as a problem Ameritech's disparate ability to meet due dates between wholesale and retail accounts. Id. at 7. MCI states that Ameritech is performing much better on meeting due dates at the retail level than at the wholesale level. Citing Staff Ex. 5.03 at 7-8 (Testimony of Sam McClerran).

MCI emphasizes that pre-ordering is a crucial OSS function for CLECs because the end-user customer is online. Pre-ordering represents the CLECs' first live contact via phone with the end-user customer and allows the CLEC to gather sufficient information for the customer to place an order. Pre-ordering is a crucial communication because any CLEC failures at this stage could result in permanently losing the customer. MCI states that pre-ordering subfunctions, such as telephone number selection and due date

notification, specifically contemplate the customer being on the phone. It contends that Ameritech has yet to make available or provide any automated pre-ordering interface for CLECs utilizing unbundled network elements. Ameritech's EDI interface which provides automated pre-ordering functionality is not yet available for unbundled network elements. Thus, MCI states that for unbundled elements, such as loops, CLECs must obtain telephone number reservation and due date verification via fax or other manual processes. CLECs, therefore, are unable to provide real time pre-ordering interaction with their customers via phone for unbundled elements. MCI notes that when Ameritech adopts the EDI Version 7 interface, pre-ordering will be available for unbundled network elements.

MCI also contends that Ameritech's EDI ordering and provisioning systems for resellers, while more functional than the ASR interface for unbundled elements, continues to be plagued with design flaws, bugs and operational difficulties that are customer-impacting. MCI asserts that it continues to experience substantial problems with Ameritech's processing and provisioning of resale orders. For example, it has been experiencing severe customer-affecting problems regarding potential double billing. In addition, MCI complains that it is being notified that orders are "completed," despite the fact that "drop to billing" (which changes the billing name of the account and makes the end-user account invisible to the retail side of Ameritech) has not yet been completed successfully. See MCI Ex. 5 (Miller) at 5-6. MCI states that its primary concern is that the customer may be double-billed since the billing remains in limbo at Ameritech. Id. It emphasizes that this system failure is becoming increasingly intolerable because for MCI's most recent orders the billing limbo period has expanded beyond the three--week period, identified above, to up to two months delay. See Phase II Tr. 1998-99 (Rogers). This obviously represents a "significant design flaw" in Ameritech's system. MCI Ex. 5 (Miller) at 6. While it acknowledges that Ameritech may be taking steps to deal with the problem, MCI states that it is impossible at this early point to know whether the Company's proposed steps will be successful.

MCI states that in addition to the "big problem" of drop to billing, it is experiencing other significant problems with respect to Ameritech's processing or provisioning of resale orders. For example, on a number of "migration" orders, Ameritech unexplainably dropped certain features on the customers' accounts; as to other orders, features were mysteriously added. MCI argues that such errors are extremely difficult to track and correct in a mass market environment.

Sprint argues that an interface between two systems and two or more players is deemed to be operationally ready only when the two systems work together satisfactorily with the underlying systems on both sides of the interface delivering the services for which the interface was designed. Sprint states that Ameritech can not-- unilaterally ~~declare~~ that its interfaces are operationally ready.

Sprint argues that an effective electronic interface which provides timely access to Customer Service information is crucial to any CLEC attempting to enter the local market

via the resale of the ILEC's services. Sprint states that Ameritech admitted that there has been neither actual use nor carrier-to-carrier testing for the due date negotiation function of the pre-order interface. Tr. 1855. In addition, Sprint notes that there has been no actual use of the telephone number selection function of the pre-order interface and the interface has being tested by only one company, USN, which does not require access to this function while the customer is on the line. Sprint argues that USN is not using Ameritech's pre-order interface for any of the other business functions, such as telephone number selection and due date selection, that Ameritech claims can be supported in a real-time, high volume operational environment. Conversely, Sprint argues that itself and competitors such as AT&T, or MCI would require immediate access to this information as they interact on-line with end users requesting local service. Sprint states that this type of interaction requires an average response time of six (6) seconds or less.

TCG witness Pelletier testified that TCG has been able to use Ameritech's electronic interface only for limited ordering - requests for switched access channels pursuant to the Switched Access Tariff. TCG is not able to use electronic interface to order unbundled loops. He asserted that TCG cannot use an electronic interface for maintenance and repair. TCG is using an Ameritech provided 800 number to be used to report trouble for DSIs and DS3s circuits. His experience using the 800 number provided by Ameritech to report trouble is that a response can take up to a half an hour. He complained that TCG has requested from Ameritech an electronic interface for maintenance and repair and Ameritech has informed TCG that the electronic interface for maintenance and repair would support only unbundled network elements, and it would not support access services such DSO, DSI and DS3 circuits. He explained that TCG has not requested the electronic interface for maintenance and repair due to these unacceptable limitations.

Ameritech replies that the positions taken by its competitors are predictable. It states that the diametrically opposed regulatory positions of the parties directly reflect their diametrically opposed business interests. For this reason, in evaluating OSS operational readiness, Ameritech cautions against attaching too much significance to the litany of complaints raised by the IXCs. It asserts that, with checklist compliance at stake, fault-finding has become an end in itself. However, Ameritech maintains that the IXCs' marketing conduct tells an entirely different story. It notes that AT&T, for example, simply would not have entered the local Illinois marketplace unless it was obtaining the capabilities it needs from Ameritech's OSS systems.

Ameritech characterizes the IXCs' OSS complaints as the "nit-picking" of " every conceivable flaw in Ameritech Illinois' systems." It argues that the IXCs ignore all of the progress which has been made to date; the procedures which it has put into place to identify and resolve systems issues on an ongoing basis; and the role which the IXCs' own decisions has played as to when and how to access these systems. Ameritech readily concedes that there have been minor problems and "bugs," as would be expected in any major information systems, whether new or existing. Ameritech contends that any problems that were service affecting have been identified and resolved. Ameritech insists